



MICHIGAN  
HOUSE OF REPRESENTATIVES  
P.O. Box 30014  
LANSING, MICHIGAN 48909-7514

**MINUTES OF THE COMMITTEE  
ON  
ENERGY POLICY**

Tuesday, May 15, 2018                      9:00 a.m.                      Room 519, House Office Building

The House Committee on Energy Policy was called to order by the Chairman, Representative Gary Glenn.

Members present: Representatives Glenn, Hauck, Barrett, Cole, Tedder, Bellino, Farrington, Griffin, Johnson, LaFave, Lower, Reilly, Lasinski, Dianda, Garrett, Camilleri, Elder, Green, and Sneller.

Members absent/excused: None.

Representative Hauck moved to adopt the minutes from the Tuesday, May 8, 2018 meeting.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid before the committee HB 5902:

HB 5902 (Lauwers)                      Public utilities; public service commission; long-term industrial load rates; allow.

Substitute (H-1) was previously adopted to HB 5902 on May 8th, 2018.

Representative Farrington offered the following amendment to HB 5902, (H-1):

1. Amend page 6, line 19, by inserting: **“(10) THE COMMISSION SHALL NOT ALLOW AN ELECTRIC UTILITY TO IMPLEMENT A LONG-TERM INDUSTRIAL LOAD RATE UNDER THIS SECTION IF THE INDUSTRIAL CUSTOMER TAKING SERVICE UNDER THE LONG-TERM INDUSTRIAL LOAD RATE IS CLAIMING ANY TAX CREDIT UNDER SECTION 432 OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1432.”** and renumbering the remaining subsection.

Representative Farrington withdrew her amendment to HB 5902, (H-1).

Representative Barrett offered the following amendment to HB 5902, (H-1):

1. Amend page 4, following line 22, by inserting: **“(G) THAT THE RATE PROVIDES FOR AN ANNUAL PROCEEDING, TO BE KNOWN AS A LONG-TERM INDUSTRIAL LOAD RATE RECONCILIATION, TO ADJUST**

**THE LONG-TERM INDUSTRIAL LOAD RATE FOR THAT CUSTOMER FOR THE SUCCEEDING YEAR. THE LONG-TERM INDUSTRIAL LOAD RATE RECONCILIATION MUST BE CONDUCTED AS A CONTESTED CASE PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328. THE COMMISSION SHALL ALLOW REASONABLE DISCOVERY BEFORE AND DURING THE LONG-TERM INDUSTRIAL LOAD RATE RECONCILIATION. IN ITS ORDER IN A LONG-TERM INDUSTRIAL LOAD RATE RECONCILIATION, THE COMMISSION SHALL AUTHORIZE AN ELECTRIC UTILITY TO RECOVER IN THE LONG-TERM INDUSTRIAL LOAD RATE FOR THAT CUSTOMER FOR THE SUCCEEDING YEAR ANY AMOUNT THE INDUSTRIAL CUSTOMER CLAIMED IN THE PREVIOUS TAX YEAR AS A TAX CREDIT UNDER SECTION 432 OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1432.”.**

Representative Barrett withdrew his amendment to HB 5902, (H-1).

Representative Barrett offered the following amendment to HB 5902, (H-1):

1. Amend page 4, following line 22, by inserting: **“(G) THAT THE INDUSTRIAL CUSTOMER TAKING SERVICE UNDER A LONG-TERM INDUSTRIAL LOAD RATE WILL NOT MATERIALLY IMPACT, ON A 15-YEAR FORWARD PROJECTION, THE AMOUNT OF ELECTRIC GENERATION CAPACITY RESOURCES REQUIRED TO BE IN THE LOCAL RESOURCE ZONE IN WHICH THE ELECTRIC UTILITY’S DEMAND IS SERVED TO ENSURE RELIABILITY IN THAT ZONE DETERMINED BY THE APPROPRIATE INDEPENDENT SYSTEM OPERATOR FOR THE LOCAL RESOURCE ZONE IN WHICH THE ELECTRIC UTILITY’S DEMAND IS SERVED.”.**

Representative Barrett withdrew his amendment to HB 5902, (H-1).

Representative Green offered the following amendment to HB 5902, (H-1):

1. Amend page 6, following line 19, by inserting: **“(10) THE COMMISSION SHALL ALLOCATE ANY INCREASE IN RATES AS A RESULT OF A LONG-TERM INDUSTRIAL LOAD RATE APPROVED UNDER THIS SECTION TO INDUSTRIAL AND COMMERCIAL CUSTOMERS.”** and renumbering the remaining subsection.

Representative Green withdrew his amendment to HB 5902, (H-1).

The Chair went at ease at 9:14 a.m., and reconvened at 9:17 a.m.

Representative Hauck moved to report HB 5902, as substitute (H-1), with recommendation.

The motion prevailed by a vote of 15-2-2.

FAVORABLE ROLL CALL:

YEAS: Representatives Glenn, Hauck, Barrett, Cole, Tedder, Bellino, Griffin, LaFave, Lower, Lasinski, Dianda, Camilleri, Elder, Green, and Sneller.

NAYS: Representatives Johnson and Reilly.

PASS: Representatives Farrington and Garrett

The Chair laid before the committee HB 5861, HB 5862, HB 5863, HB 5864, and HB 5865:

HB 5861 (Glenn)	Energy; alternative sources; community renewable energy generation facilities; provide for.
HB 5862 (Dianda)	Energy; alternative sources; net metering programs, standard offer contracts for large generators and fair value tariffs; provide for in distributed generation program.
HB 5863 (Rabhi)	Energy; alternative sources; alternative rates for small generators; provide for in distributed generation program.
HB 5864 (Barrett)	Energy; electricity; net metering; authorize increased customer generating capacity.
HB 5865 (Johnson)	Public utilities; electric utilities; establishment of microgrids; provide for.

Vice-Chair Hauck took over the gavel, the time being 9:19 a.m.

Chairman Glenn, Representative Dianda, Representative Rabhi, Representative Barrett, and Representative Johnson, introduced the bills to the committee. Questions and discussion followed.

The Vice-Chair went at ease at 10:06 a.m.

Chair Glenn returned to the gavel, and reconvened the meeting at 10:07 a.m.

The Chair returned to HB 5902:

Representative Lower moved to reconsider the vote by which HB 5902 was reported with recommendation.

The motion prevailed by a vote of 16-1-2

FAVORABLE ROLL CALL:

YEAS: Representatives Glenn, Hauck, Barrett, Cole, Tedder, Bellino, Griffin, Lower, Reilly, Lasinski, Dianda, Garrett, Camilleri, Elder, Green, and Sneller.

NAYS: Representative Johnson.

PASS: Representatives Farrington and LaFave.

Representative Lower moved to report HB 5902, as substitute (H-1), with recommendation.

The motion prevailed by a vote of 16-2-1

#### FAVORABLE ROLL CALL:

YEAS: Representatives Glenn, Hauck, Barrett, Cole, Tedder, Bellino, Griffin, LaFave, Lower, Lasinski, Dianda, Garrett, Camilleri, Elder, Green, and Sneller.

NAYS: Representatives Johnson and Reilly.

PASS: Representative Farrington.

The Chair returned to HB 5861, HB 5862, HB 5863, HB 5864, and HB 5865:

The following people testified in support of the bills:

Mark Hagerty, representing Michigan Solar Solutions, and Liesl Clark, representing the Michigan Energy Innovation Business Council.

Jim Egged, representing his family.

Ed Rivet, representing Michigan Conservative Energy Forum.

Charlotte Jameson, representing the Michigan Environmental Council.

The following people submitted a testimony card in support of the bills, but did not wish to speak:

Paul Stankewitz, representing the Michigan Catholic Conference.

Kara Cook, representing the Michigan League of Conservation Voters.

Karyn Ferrick, representing the City of Grand Rapids.

Mike Berkowitz, representing the Sierra Club.

Todd Tennis, representing the Utility Workers Union of America, submitted a testimony card in opposition of the bills, but did not wish to speak.

Camilo Serna, representing DTE Energy, submitted a testimony card in opposition of the bills and wished to speak, but due to time constraints, was unable to.

There being no further business before the committee and seeing no objection, the Chair adjourned the meeting, the time being 10:30 a.m.

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Representative Gary Glenn, Chair

Eddie Sleeper  
Committee Clerk  
May 15, 2018

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Date Approved and Signed

90 minutes